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ECONOMIC ANALYSIS

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STATE PERSONAL INCOME IN THE SECOND QUARTER OF 1975

Changes in total personal income from the first to second quarter of 1975 ranged from an increase of 7 percent in Alaska to a decline of one-quarter of 1 percent in West Virginia, according to the Bureau of Economic Analysis of the U.S. Department of Commerce. Income rose in 45 States and in the District of Columbia and was little changed in 5 States.

Nationally, personal income rose 2-1/4 percent. Consumer prices rose 1-1/4 percent (as measured by the implicit price deflator for personal consumption expenditures). Real income rose about 1 percent. This was the first significant quarterly gain in real income since the recession began in late 1973.

In 9 States (Alaska, Delaware, South Carolina, Michigan, South Dakota, Idaho, Nebraska, Montana, and New Mexico) and the District of Columbia, total personal income registered vigorous gains that ranged from 7 to 3-1/2 percent, rising at least 50 percent faster than the U.S. average (Table A).

In 5 States (West Virginia, North Dakota, Louisiana, Kentucky, and Connecticut) income changes ranged from a loss of one-quarter of 1 percent to a gain of 1 percent. These changes were at least 55 percent below the national average.

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

Income components

Much of the national rise in income was due to transfer payments, which increased 7-1/2 percent; income excluding transfers was up 1-1/2 percent. The sharp increase in transfers reflected a one-time special payment, in June, of $50 to recipients of social security, railroad retirement, and supplemental security incomes, and an advance of more than one-fifth in unemployment insurance benefits. The increases in transfers were spread fairly evenly among the States.

Differential State changes in manufacturing payrolls and farm proprietors' incomes explain much of the State differences in total income changes; payrolls in construction, mining, Federal Government, and service-type industries also contributed. The role of manufacturing and farming is shown in Table A.

States well above average

In Delaware and Michigan, auto industry payrolls were the main contributors to the strength in manufacturing payrolls. Farm income was up substantially in South Carolina, South Dakota, Montana, and Nebraska. High prices for livestock were important factors in the latter three. In Alaska, accelerated work on the oil pipeline and the resulting large gains in construction and in most service-type industries, as well as an increase in mining, accounted for the vigorous rise in total income. In Idaho and New Mexico, there were large gains in mining, construction, and Federal civilian payrolls. In the District of Columbia, Federal payrolls increased sharply.

States well below average

Manufacturing payrolls were off substantially in West Virginia, Connecticut, and Kentucky. Large declines in farm income were registered in Louisiana and North Dakota. In Louisiana, the decline was due to a drop in sugar marketings; in North Dakota, it was due to a drop in wheat. Mining payrolls were off in Kentucky and West Virginia, because weakness in the steel industry induced a decline in metallurgical coal production. Payrolls in construction dropped sharply in each of the 5 States that were well below the average. In four of them, payrolls in service-type industries were also weak.

(Statistical tables attached)

Note:-- Total personal income consists of private and government wage and salary payments in cash and in kind, other labor income, farm and nonfarm proprietors' income, interest, net rents, dividends, and transfer payments, less personal contributions for social insurance. It is measured before the deduction of personal income and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Additional data appear in the October Survey of Current Business, published by the Bureau of Economic Analysis.

The Survey is available from most District Offices of the Department of Commerce or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C., 20402, at an annual subscription price of $48.30, including weekly supplements; single copy $3.00.

TABLE A.-- PERCENT CHANGE IN TOTAL PERSONAL INCOME AND SELECTED COMPONENTS, I-1975 - II-1975

RANKED BY PERCENT CHANGE IN TOTAL	TOTAL PERSONAL INCOME	WAGES AND SALARIES				TRANSFER PAYMENTS
		FARM INCOME	MANUFACTURING WAGES	CONSTRUCTION WAGES	MINING WAGES	
UNITED STATES	2.3	2.8	.4	-2.7	1.6	7.5
STATES						
STATES WITH ABOVE-AVERAGE GAINS:						
ALASKA	6.9	4.7	-9.7	21.6	18.2	3.5
DELAWARE	5.1	-2.0	17.0	-6.5	5.8	9.9
DIST. OF COL.	4.9	.0	-1.3	-6.6	5.8	5.1
SOUTH CAROLINA	3.8	21.5	5.3	-3.0	5.8	6.4
MICHIGAN	3.8	-3.8	7.8	-5.9	2.2	5.6
SOUTH DAKOTA	3.7	14.5	2.7	-16.4	10.2	8.7
IDAHO	3.6	-1.2	6.2	2.6	5.8	7.2
NEBRASKA	3.5	12.3	.5	-.1	-15.4	9.7
MONTANA	3.4	13.5	-4.2	-16.9	8.6	8.4
NEW MEXICO	3.4	1.6	2.3	2.2	3.7	6.2
STATES WITH NEAR-AVERAGE GAINS:						
OKLAHOMA	3.2	25.3	-.8	-4.6	5.5	8.4
TENNESSEE	3.2	12.6	4.1	-5.3	3.4	9.8
TEXAS	3.1	40.2	2.8	-4.3	7.3	7.2
GEORGIA	3.0	27.9	2.0	-4.4	1.5	7.7
MISSOURI	3.0	-.8	2.2	7.5	-1.2	9.1
COLORADO	2.8	15.3	.9	-.1	7.6	7.5
MISSISSIPPI	2.8	19.3	1.1	-10.5	2.6	9.2
WYOMING	2.6	16.5	.2	-2.7	4.6	7.1
VERMONT	2.6	3.7	-3.6	-1.1	5.7	8.7
KANSAS	2.5	12.1	-1.4	-4.2	4.8	7.9
WISCONSIN	2.5	11.4	-2.6	.0	-5.2	10.3
NEW YORK	2.5	3.0	1.4	-5.5	8.7	6.9
OHIO	2.4	-12.8	-.3	1.2	.6	8.6
OREGON	2.2	-7.8	3.4	-6.4	-10.9	6.3
NEVADA	2.2	5.3	.2	1.6	.9	5.5
IOWA	2.2	-1.7	-2.5	4.1	2.3	9.6
CALIFORNIA	2.1	6.7	.6	-3.4	4.1	5.9
ARIZONA	2.1	15.3	-2.4	-5.7	-.9	8.4
ALABAMA	2.1	1.7	-.9	.9	-4.3	8.7
PENNSYLVANIA	2.1	1.1	-1.5	-1.7	-4.9	8.3
MAINE	2.1	-7.3	-1.7	2.5	5.8	7.7
VIRGINIA	2.0	3.7	2.0	-2.9	-1.3	7.7
ILLINOIS	2.0	-5.3	-1.9	6.2	-5.7	8.6
MARYLAND	2.0	-6.9	-.8	-1.2	-5.4	6.9
NEW HAMPSHIRE	2.0	2.0	-1.6	2.9	41.0	6.9
HAWAII	1.9	3.7	-1.5	.6	.0	7.5
WASHINGTON	1.8	-9.1	.2	.7	-2.7	6.1
UTAH	1.7	7.2	.7	-2.6	-9.5	8.4
NORTH CAROLINA	1.7	-11.1	2.8	-5.8	-6.5	9.2
INDIANA	1.7	-.7	-.5	-.9	-1.0	9.7
ARKANSAS	1.6	-14.9	-1.0	-6.0	-1.5	9.7
MINNESOTA	1.6	-7.5	.1	-2.3	2.9	8.6
NEW JERSEY	1.6	-9.1	-.8	-15.2	-4.2	5.7
MASSACHUSETTS	1.5	-22.1	-2.5	2.9	5.8	3.1
FLORIDA	1.4	-9.9	-1.0	-9.2	4.8	7.7
RHODE ISLAND	1.4	8.3	-4.5	-5.6	5.8	9.5
STATES WITH BELOW-AVERAGE GAINS:						
CONNECTICUT	1.0	-1.9	-3.3	-4.8	5.8	8.9
KENTUCKY	.7	14.3	-4.9	-12.2	-4.7	9.3
LOUISIANA	.2	-25.8	-2.0	-3.5	6.1	8.1
NORTH DAKOTA	.2	-5.0	.6	-16.7	12.0	7.7
WEST VIRGINIA	-.3	1.2	-5.2	-13.0	-10.4	7.9
REGIONS						
REGION WITH ABOVE-AVERAGE GAINS:						
SOUTHWEST	3.0	30.2	1.8	-4.2	5.8	7.5
REGIONS WITH NEAR AVERAGE GAINS:						
ROCKY MOUNTAIN	2.7	9.7	1.2	-2.3	2.7	7.8
GREAT LAKES	2.5	-3.4	.8	1.1	-1.8	8.2
PLAINS	2.4	2.4	.1	.1	2.5	8.9
MIDEAST	2.3	-.9	.1	-5.5	-2.4	7.1
FAR WEST	2.1	2.7	.8	-2.9	2.9	5.9
SOUTHEAST	1.9	-1.5	.8	-6.0	-1.8	8.3
REGION WITH BELOW-AVERAGE GAINS:						
NEW ENGLAND	1.5	-7.5	-2.8	.0	8.9	5.8

SOURCE: U. S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS.

TABLE B. -- TOTAL PERSONAL INCOME, REGIONS AND STATES

(MILLIONS OF DOLLARS, SEASONALLY ADJUSTED AT ANNUAL RATES)

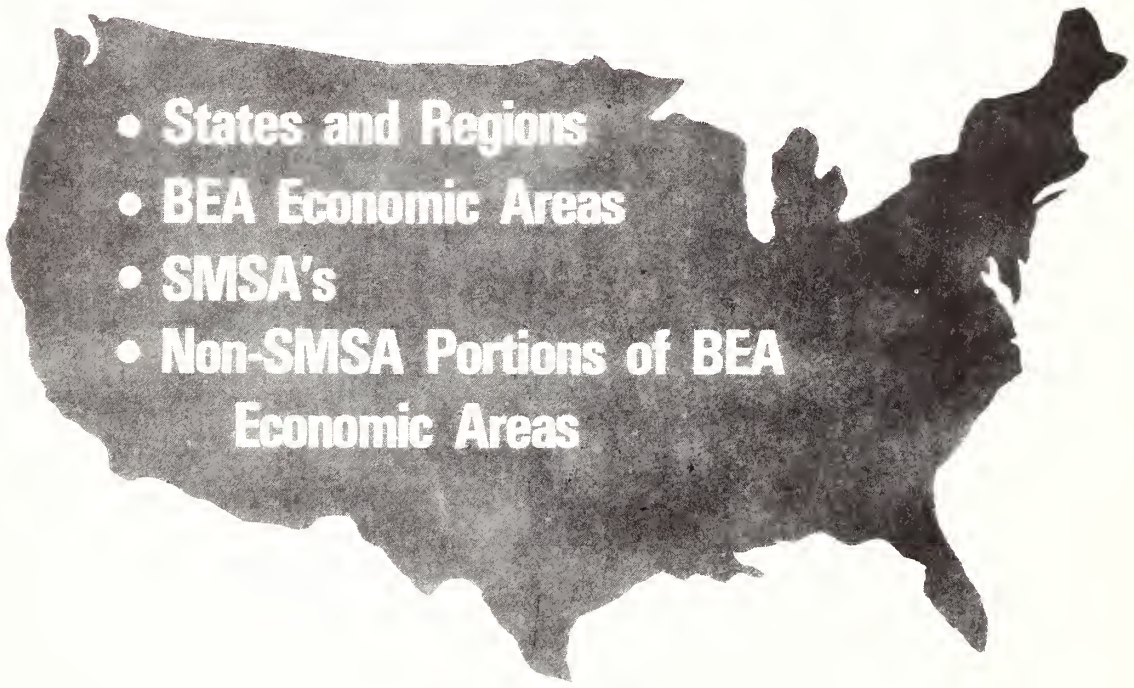
STATE AND REGION	1974			1975		PERCENT CHANGE	
	II	III	IV	I	II	II 1974- II 1975	I 1975- II 1975
UNITED STATES	1,137,797	1,171,555	1,189,621	1,195,812	1,222,918	7.5	2.3
NEW ENGLAND	68,494	70,169	71,499	72,604	73,665	7.5	1.5
CONNECTICUT	19,721	20,239	20,568	20,833	21,044	6.7	1.0
MAINE	4,740	4,791	5,015	4,964	5,066	6.9	2.1
MASSACHUSETTS	32,973	33,877	34,478	35,208	35,740	8.4	1.5
NEW HAMPSHIRE	3,969	4,034	4,099	4,118	4,202	5.9	2.0
RHODE ISLAND	4,964	5,069	5,146	5,257	5,331	7.4	1.4
VERMONT	2,128	2,160	2,193	2,224	2,282	7.2	2.6
MIDEAST	252,190	258,444	263,381	266,188	272,270	8.0	2.3
DELAWARE	3,536	3,688	3,781	3,631	3,816	7.9	5.1
DISTRICT OF COLUMBIA	5,044	5,210	5,346	5,453	5,718	13.4	4.9
MARYLAND	23,971	24,700	25,268	25,500	26,008	8.5	2.0
NEW JERSEY	45,456	46,369	47,159	47,165	47,928	5.4	1.6
NEW YORK	110,524	113,022	114,938	117,141	120,116	8.7	2.5
PENNSYLVANIA	63,660	65,455	66,888	67,299	68,685	7.9	2.1
GREAT LAKES	230,719	239,510	239,855	238,082	244,127	5.8	2.5
ILLINOIS	68,768	71,414	70,325	70,558	71,943	4.6	2.0
INDIANA	27,239	28,433	28,406	28,043	28,524	4.7	1.7
MICHIGAN	52,546	54,883	55,328	53,496	55,552	5.7	3.8
OHIO	58,348	60,545	61,163	60,882	62,372	6.9	2.4
WISCONSIN	23,818	24,234	24,633	25,103	25,735	8.0	2.5
PLAINS	88,011	89,699	88,758	89,035	91,205	3.6	2.4
IOWA	14,847	16,240	15,022	15,228	15,570	4.9	2.2
KANSAS	12,266	12,479	12,993	13,014	13,340	8.8	2.5
MINNESOTA	21,727	21,668	21,305	21,526	21,876	.7	1.6
MISSOURI	23,814	24,600	24,470	24,568	25,310	6.3	3.0
NEBRASKA	8,168	8,357	8,395	8,329	8,620	5.5	3.5
NORTH DAKOTA	3,969	3,071	3,543	3,312	3,319	-16.4	.2
SOUTH DAKOTA	3,219	3,284	3,030	3,058	3,171	-1.5	3.7
SOUTHEAST	218,736	224,141	227,860	229,594	233,869	6.9	1.9
ALABAMA	14,928	15,250	15,527	15,642	15,978	7.0	2.1
ARKANSAS	8,714	8,881	8,504	8,624	8,759	.5	1.6
FLORIDA	43,543	44,723	44,978	44,905	45,531	4.6	1.4
GEORGIA	22,834	23,473	24,107	23,878	24,600	7.7	3.0
KENTUCKY	14,907	15,236	15,350	15,758	15,876	6.5	.7
LOUISIANA	16,258	16,664	17,467	18,129	18,161	11.7	.2
MISSISSIPPI	8,867	9,046	9,010	9,109	9,363	5.6	2.8
NORTH CAROLINA	24,503	25,022	26,188	26,530	26,984	10.1	1.7
SOUTH CAROLINA	11,874	12,086	12,390	12,263	12,725	7.2	3.8
TENNESSEE	18,542	19,315	19,207	19,292	19,904	7.3	3.2
VIRGINIA	26,007	26,476	27,042	27,114	27,666	6.4	2.0
WEST VIRGINIA	7,760	7,971	8,090	8,350	8,322	7.2	-.3
SOUTHWEST	85,899	89,191	91,405	92,302	95,091	10.7	3.0
ARIZONA	10,853	11,237	11,452	11,393	11,632	7.2	2.1
NEW MEXICO	4,566	4,763	4,786	4,861	5,025	10.1	3.4
OKLAHOMA	12,037	12,626	12,937	13,008	13,423	11.5	3.2
TEXAS	58,444	60,565	62,229	63,039	65,011	11.2	3.1
ROCKY MOUNTAIN	27,863	28,916	29,702	29,558	30,368	9.0	2.7
COLORADO	13,379	14,132	14,350	14,157	14,548	8.7	2.8
IDAHO	3,853	3,897	4,017	3,968	4,110	6.7	3.6
MONTANA	3,550	3,640	3,813	3,717	3,843	8.3	3.4
UTAH	5,181	5,342	5,465	5,612	5,708	10.2	1.7
WYOMING	1,900	1,905	2,056	2,104	2,159	13.6	2.6
FAR WEST	158,684	163,883	169,143	170,147	173,723	9.5	2.1
CALIFORNIA	124,135	128,109	131,916	132,762	135,608	9.2	2.1
NEVADA	3,437	3,453	3,536	3,659	3,740	8.8	2.2
OREGON	11,765	12,202	12,578	12,513	12,782	8.6	2.1
WASHINGTON	19,347	20,119	21,113	21,213	21,593	11.6	1.8
ALASKA	2,228	2,461	2,740	2,864	3,061	37.4	6.9
HAWAII	4,973	5,141	5,280	5,438	5,539	11.4	1.9

NOTE: -- DETAIL MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.
PERCENTAGES ARE BASED ON THE SEASONALLY ADJUSTED DATA. QUARTERLY TOTALS FOR THE STATE PERSONAL INCOME SERIES WILL NOT AGREE WITH THE PERSONAL INCOME MEASURE CARRIED IN THE NATIONAL INCOME AND PRODUCT ACCOUNTS.

SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS.

Look Ahead With

AREA ECONOMIC PROJECTIONS 1990



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